GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2006
ANSWERED ON:12.12.2008
UNSECURED BORROWINGS FROM PSBS
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Will the Minister of FINANCE be pleased to state:

(a) whether the unsecured borrowings from Public Sector Banks (PSBs) has risen steeply during the last three years;

(b) if so, the details thereof, sector-wise;

(c) whether the companies which have borrowed loan from Banks have defaulted on payment front;

(d) if so, the details thereof; and

(e) the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): The unsecured advances of public sector banks (PSBs) have increased from Rs. 2,08,108 crore in March 2006 to Rs. 2,69,305 crore in March 2007 to Rs. 3,79,340 crore in March 2008. In percentage terms the unsecured advances of PSBs stood at 18.3%, 18.4% and 20.9% of their total advances as at end of March 2006, 2007 and 2008 respectively. The existing Management Information System of Reserve Bank of India (RBI) does not generate sector-wise details of unsecured advances.

(c) to (e): The Government/RBI has no such specific information.However,the banks classify overdue advances as non-performing assets (NPAs) in terms of RBI `Master Circular on prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to advances` and endeavour to recover their dues in accordance with their loan recovery policy.